

# FIDELITY MONITOR & INSIGHT

Incorporating Fidelity Monitor and Fidelity Insight

FEBRUARY 2015

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## MESSAGE FROM JACK

### **Precious Metals Still Not Worth The Risk**

Gold and silver prices have rebounded on the back of new global debt fears and negative bond yields in Europe.

But the rally is unlikely to last.

Investors buy precious metals when they are worried about inflation, or when they lack confidence in paper currencies (and the governments that back them). But the deflationary effects of the oil bust far outweigh the inflationary impact of the EU's new bond-



Jack Bowers

buying program. And the idea that gold is robust and fiat currencies are fragile is ridiculous. If central bankers were to meet and talk about a joint sale of gold, the price of the commodity would crumble overnight.

Over the very long run, precious metals can only keep even with inflation. Consider the 35 years ending 12/31/14. Inflation rose at an annual rate of 3.5%. The price of gold increased 2.8% per year (a real return of -0.7%), intermediate government bonds were up 7.8% annually (4.3% after inflation), and the S&P 500 climbed 12.0% per year (8.5% real return). Going forward, these long-term returns are all likely to be some two percentage points lower due to the growing influence of advancing technology (which reduces inflation by creating abundance out of scarcity and forming new types of competition).

In real terms, what goes up always comes back down in the world of precious metals — usually when least expected. Lacking intrinsic value, gold and silver are essentially pure plays on investor emotions, climbing rapidly on fear and crashing as solutions to tough problems take shape. They are among the least predictable commodities around.

Granted, it's possible to earn a positive real return in **Select Gold**, which holds mostly mining stocks. Such firms aim for a long-term profit by extracting gold for less than its market value, delivering value to shareholders. But at what risk? Select Gold is four times more volatile than the S&P 500. At that level, it's more of a gamble than an investment. And that's why we still rate it a *Sell*.

Sincerely,

## MARKET OUTLOOK

### **Increased Volatility Amid Lowered Expectations**

In last month's *2015 Market Outlook*, I said to expect a lot of volatility this year and that analysts were likely too optimistic about 2015 corporate earnings. I just didn't expect both those propositions to be so demonstrably true after only one month!

In the 20 trading days in January, the S&P 500 had a daily move of more than 1.0% eight times, with another five days of 0.8% or more! The first 20 trading days of January 2014 featured only three moves of 1.0% or better with two more in the 0.8% range.

Behind this increased volatility were a slew of significant events: the continuing slide in oil prices and the death of Saudi King Abdullah; the Swiss Central Bank dropping its peg of the franc to the euro, as the latter continues to slump against the US dollar; the recent victory of the anti-austerity Syriza party in Greece and the threat of a Greek exit from the euro; the announcement of quantitative easing (QE) from the ECB; to the aforementioned strength of the US dollar (exacerbated by QE) and its impact on disappointing earnings from several major US firms. Whew! That's a lot to digest.

While increased volatility isn't bad, in and of itself, it is certainly unnerving for investors and it can be bad if it causes you to head for the exits.

What is more troubling, however, is the second of those propositions — that analysts were too optimistic about 2015 earnings. As I noted last month, over the course of the year, 2014's earnings growth expectations fell by 36% and we might expect something similar this year. Well, estimated earnings growth for the S&P 500 in 2015 has fallen from 12.3% at the end of December to just 4.8% today — a 61% reduction in just one month!

### **Energy Is The Main Culprit**

However, the majority of this is due to huge reductions in the energy sector where earnings estimates have been cut 42%. The impact of falling oil prices on energy firms is easily factored in by industry analysts, but the benefits of lower energy prices on other sectors, such as consumer



John M. Boyd

**MODEL PORTFOLIOS**

See Model Portfolios Key on p. 3

**JANUARY 31, 2015**

**Unique Opportunities**

Target Risk: 1.20 (Current: 1.16)

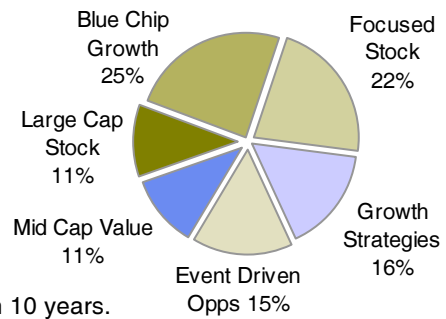
Foreign Holdings: 8.1%

**YTD Return: -2.2%**

Stocks: 98.8% Bonds: 0.0% Cash: 1.2% Alternatives: 0.0% Yield: 0.2%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
Blue Chip Growth	FBGRX	\$67.88	1,450.86	\$98,485	-0.8%
Focused Stock	FTQGX	18.35	4,757.74	87,305	-2.1
Growth Strategies	FDEGX	31.67	1,982.61	62,789	-2.0
Event Driven Opps	FARNX	10.70	5,636.36	60,309	-3.1
Mid Cap Value	FSMVX	24.15	1,847.31	44,612	-1.9
Large Cap Stock	FLCSX	26.97	1,619.32	43,673	-4.5
<b>Current Value (3/31/99 = \$100,000)</b>				<b>\$397,173</b>	<b>-2.2%</b>

For aggressive members who have no need for income or principal for more than 10 years.



**Select**

Target Risk: 1.20 (Current: 1.12)

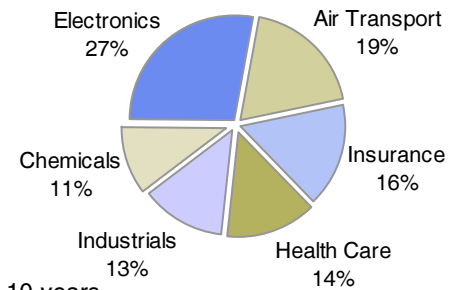
Foreign Holdings: 11.3%

**YTD Return: -2.7%**

Stocks: 97.2% Bonds: 0.2% Cash: 2.6% Alternatives: 0.0% Yield: 0.1%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
Electronics	FSELX	\$83.20	9,458.70	\$786,964	-1.9%
Air Transportation	FSAIX	71.63	7,463.88	534,638	-4.0
Insurance	FSPCX	62.77	7,088.69	444,957	-7.0
Health Care	FSPHX	222.20	1,749.32	388,699	2.1
Industrials	FCYIX	30.92	11,524.37	356,334	-2.7
Chemicals	FSCHX	143.67	2,068.74	297,217	-2.1
<b>Current Value (12/31/88 = \$100,000)</b>				<b>\$2,808,808</b>	<b>-2.7%</b>

For aggressive members who have no need for income or principal for more than 10 years.



**Growth**

Target Risk: 1.00 (Current: 1.11)

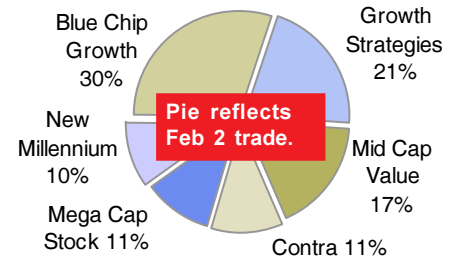
Foreign Holdings: 8.0%

**YTD Return: -2.3%**

Stocks: 98.2% Bonds: 0.0% Cash: 1.7% Alternatives: 0.0% Yield: 0.4%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
Blue Chip Growth	FBGRX	\$67.88	8,771.74	\$595,426	-0.8%
New Millennium	FMLX	37.20	10,462.04	389,188	-4.0
Mid Cap Value	FSMVX	24.15	14,083.41	340,114	-1.9
Contrafund	FCNTX	96.66	2,283.12	220,686	-1.3
Growth Strategies	FDEGX	31.67	6,832.78	216,394	-2.0
Mega Cap Stock	FGRTX	15.68	13,406.99	210,222	-5.0
<b>Current Value (12/31/86 = \$100,000)</b>				<b>\$1,972,030</b>	<b>-2.3%</b>

For moderately aggressive members who want equity-dominated portfolios and have no income needs for at least 10 years.



**Growth & Income**

Target Risk: 0.66 (Current: 0.74)

Foreign Holdings: 10.5%

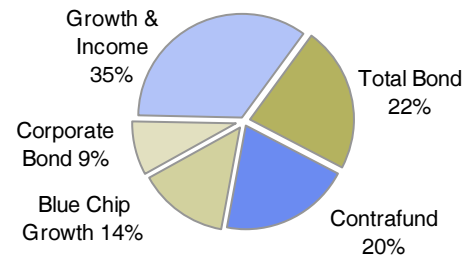
**YTD Return: -1.4%**

Stocks: 68.9% Bonds: 24.7% Cash: 1.4% Alternatives: 5.1% Yield: 1.6%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
Growth & Income	FGRIX	\$28.86	6,538.78	\$188,709	-4.5%
Total Bond	FTBFX	10.86	10,771.55	116,979	1.9
Contrafund	FCNTX	96.66	1,087.55	105,122	-1.3
Blue Chip Growth	FBGRX	67.88	1,072.21	72,781	-0.8
Corporate Bond	FCBFX	11.75	3,890.64	45,715	2.8

**Current Value (12/31/93 = \$100,000)** **\$529,307** **-1.4%**

A good choice for members retiring in 5-10 years looking for less volatility than the market.



**Income**

Target Risk: 0.33 (Current: 0.35)

Foreign Holdings: 9.5%

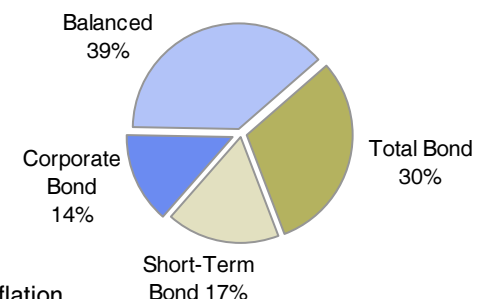
**YTD Return: 0.6%**

Stocks: 26.8% Bonds: 63.6% Cash: 2.4% Alternatives: 7.1% Yield: 1.9%

Holdings	Ticker	NAV	Shares	Value	Jan Ret
Balanced	FBALX	\$22.51	6,183.57	\$139,192	-1.1%
Total Bond	FTBFX	10.86	9,931.69	107,858	1.9
Short-Term Bond	FSHBX	8.62	7,113.98	61,322	0.6
Corporate Bond	FCBFX	11.75	4,226.04	49,656	2.8

**Current Value (12/31/91 = \$100,000)** **\$358,029** **0.6%**

For members needing income and protection of their purchasing power against inflation.



goods firms is harder to assess at this point. Consumers won't necessarily spend their "energy savings" until they are convinced that lower prices are here to stay.

In short, if analysts were too optimistic at the start of the year, they may be too pessimistic today.

Of course, oil isn't the only source of negative earnings news. Some prominent, large US firms with big overseas exposure have seen their profits crimped by the strengthening dollar, and that could be an issue throughout the year.

### **Economic Growth Is Key**

With foreign economies struggling and the dollar affecting exports as well, the strength of our own economic growth is key to the earnings picture.

There have been mixed economic reports of late. GDP growth for the fourth quarter of 2014 came in 2.6% — below expectations of 3.0% and down from 5.0% in the third quarter. Consumer spending rose 4.3% — the fastest pace since before the financial crisis. But weak business spending on structures and equipment subtracted from growth. Inventory accumulation added 0.82 percentage points to growth, which could weigh on future growth if sales don't increase.

On the other hand, housing has delivered some good news as sales of existing homes have been 6.0% higher than a year ago for the past two months on a non-seasonally adjusted basis. Initial claims for unemployment just fell to a near 15-year low and the Chicago Purchasing Managers Index (PMI) rose to a strong 59.4 in January, up from 58.3 in December.

### **Mid-Cap Sweet Spot**

With large-cap stocks more vulnerable to the performance of foreign economies and the dollar, and small-

## FUNDS YOU SHOULD BUY NOW

**Growth:** For large-cap exposure ... **Blue Chip Growth**, **Growth Company** and **Large Cap Stock** take more aggressive approaches to growth, while **Contrafund** is more conservative. **Growth Strategies** and **Mid-Cap Value** provide mid-cap exposure; **Event Driven Opp's** is a smaller-cap option offering portfolio diversification.

**Growth & Income:** **Growth & Income** and **Mega Cap Stock** seek growth and yield from large-caps; **Balanced** and **Puritan** use a mix of stocks and bonds to mitigate risk.

**Taxable Bond:** **Short-Term Bond** and **Intermediate Bond** limit interest-rate risk. **Total Bond** provides the greatest bond diversification. **Investment Grade Bond** limits credit risk but boosts yield via additional interest-rate risk, while **Corporate Bond** steps up risk on both fronts.

**Muni Bond:** More highly taxed investors should consider muni funds. (We prefer the less risky, nationally diversified variety.) ■

cap firms carrying greater risk, mid-cap stocks are likely to be the sweet spot this year. Based on that view, we added to our mid-cap exposure in early January in both our Unique Opportunities and Growth Models via **Mid Cap Value** and **Growth Strategies**, respectively. On Feb 2, we added to our position in Growth Strategies in our Growth Model (see trade box below).

### **Summing It All Up**

Expectations of the S&P 500's performance for 2015 have come down significantly to start the year. And increased volatility only adds to investors' anxiety. However, a case can be made that analysts are factoring in the obvious bad news from fall-

ing oil prices without considering the offsetting good news for other sectors. Even if analysts aren't being overly pessimistic, that broad index should still deliver mid-single digit returns. And if they are, we could see better than that. Moreover, the S&P 500 is not the only game in town (although the indexing craze may make it look that way some times). Mid-caps offer an attractive alternative.

As we have said before, if you are nervous about the market's direction, resist the urge to dump your stock funds. Instead consider one of our more conservative models, such as the Growth & Income Model. That's a much better bet for the long haul than trying to time the market. ■

— John M. Boyd

## MODEL PORTFOLIO TRADES

As announced on our January 30 Hotline, on Monday February 2, we made the following Model Portfolio trade:

### **Growth Model:**

We sold one-half of **New Millennium** [FMILX], bringing it down to about 10% of the model. With the proceeds we added to our position in **Growth Strategies** [FDEGX] bringing it up to about 21%.

*Trade Rationale:* This trade is a continuation of last month's investment theme, when we established a new position in Growth Strategies; this month we're increasing our exposure to that fund. As we said at the time, "We think mid-cap[s] ... should do well relative to larger-caps ... as they are less exposed to exports and the effect of a stronger dollar." Additional details on this fund and New Millennium are on pgs. 11 and 12.

### **Model Portfolios Key:**

<sup>1</sup>Alternative investments include such areas as high-yield bonds, commodities, real estate. Portfolio trades and total returns do not take taxes into account, however, redemption and exchange fees are included. Some percentage figures may not sum to 100 due to rounding. Dividends are reinvested. Consider the tax implications of trades before you decide to buy or sell any fund. Any trades are detailed on p. 3 and are announced on Friday evening Hotline updates via telephone, e-mail, and web (see p. 12). **Annuity Model Portfolios** are on p. 10.

FUND FOCUS

## Stock Fund Picks For The Year Ahead

Below are our 2014 reviews and 2015 outlooks for each of the 10 diversified stock funds we currently hold among our p. 2 Model Portfolios (excluding the Select Model). As our models have different investment time-horizons (risk levels), not all stock funds are appropriate for models, while how much we've allocated to a model will also differ.

Separately, as Matt Fruhan runs **Growth & Income, Large Cap Stock and Mega Cap Stock**, we've combined our thoughts on his funds on p. 11.

### Blue Chip Growth

Apart from its big-cap "household" holdings, Manager Sonu Kalra allocates 15% of this fund's assets into mostly mid- and a few small-cap stocks. His strategy: that they will one day become household (blue chip) names. Favoring double-digit earnings growers, it's no surprise that Apple and Facebook are among his top positions on the tech side (where he added the most value last year), as well as Gilead Sciences on the health care side (which has been a huge winner for the fund). However, his modest allocation to small-caps was a likely detriment.



Sonu Kalra

Sonu's 5-year-plus record on this fund is one of the best among his Fidelity peers. And, on a risk-adjusted basis, it is the best.

### Contrafund

Has Will Danoff lost his fastball? Unfortunately, it's a fair question as Contra's size seems like a growing burden. Yes, he still has a knack for beating many of his large-cap growth fund peers, though the degree to which he's doing that is narrowing, as is his ability to beat the S&P 500.



Will Danoff

As to the latter, we've been willing to trade some performance in return for below-average risk. But Will's reliance on tech and consumer discretionary stocks has made it impossible to keep relative volatility below 1.00.

As we've said before, in most years there's a better-performing large-cap growth fund at Fidelity. And while our advice has been consistent and correct until this point ("never bet against Will Danoff's Contra"), we'll have to consider looking elsewhere if the fund's risk remains misaligned with its performance.

### Event Driven Opportunities

Benchmarked against the very broad Russell 3000 index, Manager Arvind Navaratnam (a "special situations" investor) has plenty of room to maneuver. Unfortunately, its launch

was ill-timed. At first, shareholders benefited from his entree into the small-caps (a conscious decision to have a low correlation to the large-cap S&P 500). However, as the market grew risk-averse amid concerns about quantitative easing's demise, small-caps sold off. And with its market cap of under \$3 billion, Event Driven struggled to keep in the black.

Because of its risk, we hold this fund only in the Unique Opportunities Model. It requires a time commitment, meaning the ability to stay put through different market cycles.

### Focused Stock

Sector-agnostic, Manager Stephen DuFour considers himself a GARP investor, meaning he likes stocks that are growing earnings by at least 5% a year, but whose price doesn't exceed 30-times earnings. (This actually explains the fund's "growth" classification.) But as he can hold only 50 or so stocks, DuFour's investment strategy leaves little room for patience: Hit your price target, and you'll be sold. Turnover is a rapid 223%.



Stephen DuFour

Fund Focus cont'd on page 11

Fund	Mkt Cap (\$Bil)	Rel. Vol.	Correl To S&P 500	Dist Yield (%) <sup>1</sup>	% of Assets				
					Tech	Financial	Health	Cons Disc	Indust
Blue Chip Growth	55.0	1.27	0.90	0.13	33.6	4.6	15.3	22.5	8.7
Contrafund	78.1	1.05	0.92	0.26	26.5	18.6	17.8	15.7	7.4
Event Driven Opp's <sup>2</sup>	2.5	na	na	0.54	22.8	13.0	5.7	20.9	21.3
Focused Stock	35.6	1.24	0.85	0.09	25.4	21.2	18.6	7.8	13.0
Growth & Income	85.7	1.06	0.98	1.79	19.5	21.0	9.3	10.8	13.2
Growth Strategies	13.4	1.14	0.91	0.29	19.0	8.2	16.7	21.6	19.1
Large Cap Stock	64.5	1.16	0.96	0.94	21.4	21.0	11.4	9.9	12.1
Mega Cap Stock	125.5	1.10	0.98	1.31	23.5	19.1	9.0	10.5	10.9
Mid Cap Value	12.3	1.14	0.93	0.93	11.2	33.2	10.1	9.1	8.9
New Millennium	45.7	1.14	0.92	0.73	18.6	18.6	14.8	14.1	9.5
<b>S&amp;P 500 Index<sup>3</sup></b>	<b>67.9</b>	<b>1.00</b>	<b>1.00</b>	<b>1.87</b>	<b>19.3</b>	<b>16.4</b>	<b>14.0</b>	<b>11.9</b>	<b>10.3</b>

<sup>1</sup>Actual dividend income provided to shareholders in 2014 as % of NAV; <sup>2</sup>Fund lacks 36-months of data; <sup>3</sup>Based on Spartan 500 Index fund.

FUND COMMENTARY

## Stocks Off To Ugly Start; Bonds Rally

Reflecting the volatility in oil and gold prices, to say nothing of the uncertainties over global growth, the specter of deflation, geopolitical uncertainty, shifting monetary policies,



John Bonnanzio

the US dollar and ... what else? Oh, there's that little matter of corporate earnings, which as of this writing, have impressed very few. (See John Boyd's

*Outlook* on page 1.)

If you're desirous of proof that investors are feeling uneasy, we could have a technical discussion about volatility. But a clearer gauge was last month's 3.6% decline by the Dow Jones Industrials, and similar retreat (down 3.0%) by the S&P 500 Index.

Now, if you were to suggest that the aforementioned indexes are evidence that a growing contingent of investors are worried that the strong US dollar will hurt sales and earnings for the big-cap American firms, you'd be correct. But that doesn't explain why the small-cap Russell 2000 retreated an all-too-similar 3.2% in January.

Answer: good old-fashioned risk-aversion. While small-caps are generally more US-centric for their sales, they are often among the first areas that equity investors shed (along with emerging markets) to reduce portfolio risk. Of course, the prospect of higher borrowing costs hasn't helped small caps, either.

So as noted elsewhere, if there's a "sweet spot" in stocks right now, that would be mid caps, though the S&P 400 did fall 1.6% last month. That was actually better than the Nasdaq Composite's 2.1% slide — though that barometer was helped mightily by health care (in particular, **Select Biotech** soared 6.6% last month), while many tech stocks performed better than the market.

### Equity Funds

The average large-cap blend fund retreated 3.9% in January as those five funds invest in the market's biggest stocks. With its market cap of \$125 billion (see p. 4 table), **Mega Cap Stock** (down 5.0%) was hit especially hard, while **Dividend Growth** (down 3.0%) fell right in line with the S&P. Large-cap value funds declined an average of 3.3%. Again, market cap was an issue, but more than that, their large exposures to financials and energy were especially detrimental. For example, **Select Financial Services** dropped 6.1% last month and energy funds fell, too.

In comparative terms, large-cap growth was a better place to be in January: their 15 offerings declined "just" 1.6%. Big-cap drug companies propped up returns in that category, while certain areas of tech helped, too. (Though **Software & Computer Services** retreated 5.3%.)

Among Fidelity's most popular funds (by assets), the conservatively positioned **Contrafund** lost 1.3% last month, the tech-rich **Growth Co** and **Blue Chip Growth** slipped 0.5% and 0.8%, respectively (and were among Fidelity's top relative performers), and **Magellan** declined 2.5%. Elsewhere (in the mid-cap arena), **Low-Priced Stock** was down 3.1%. Although that fund's large international exposure was problematic last year, that was not the case in January as Japanese and European stocks rose in both local currency and in US dollar terms.

### International Funds

With Europe's central banks orchestrating a roughly trillion-dollar bond buyback program, investors

looked to the US as a model of how to invest amid so-called quantitative easing. Their takeaway: buy stocks!

**Europe** fund gained 1.4% last month as the pace of the US dollar's rise slowed against various currencies (even though rate cuts typically have the opposite effect). And, while Europe's much-anticipated monetary policy had nothing to do with Japan, **Japan** fund gained 1.8%. Some of the credit goes to surprisingly good earnings, but much of it was the result of falling oil prices for the energy-dependent nation.

On the other hand, **Latin America** lost 5.2% because of cheaper oil (the commodity lost 11% of its value in January), even as **Emerging Markets** kept its head above water (up 0.3%). As for Fidelity's biggest foreign fund by assets, **Diversified Int'l** rose 0.9%.

### Bond Funds

While everyone expects the Fed to raise rates midyear, conditions need to be right: the US economy must still be recovering and pressing inflation higher. But with both of these matters looking less certain, the Fed's apparent adamantness that it will proceed as planned was surprising.

Indeed, on the day of the announcement, Treasuries rallied. The 30-year yield fell to its lowest level on record: 2.295%! The 10-year also rallied (yields move in the opposite direction of their price), finishing the month at 1.64%. While **Spartan U.S. Bond Index** gained 2.2% in January, **Short-Term Bond** gained 0.6% and **Spartan Long-Term Treasury Index** soared 9.1%. ■

— John Bonnanzio

### FEBRUARY SCORECARD RATING CHANGES

Fund	Ratings			Comments
	Old	New		
Equity-Income	B	H	↓	Highest dividend yielding stocks under pressure.
MSCI Utilities	S	S	↑	Short-term, rate-sensitive sector stands to benefit.
Sel Cons & Housing	S	B	↑	Sector stands to benefit from recovering economy.
VIP Equity-Income	B	H	↓	Highest dividend yielding stocks under pressure.

B = Buy; B = OK to Buy; H = Hold; S = OK to Sell; S = Sell, NC = No change  
 (↑) Rating upgraded; (↓) Rating downgraded.

# FIDELITY SCORECARD

JANUARY 31, 2015

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)				Rel Vol (Risk) <sup>1</sup>		
						Jan	YTD	3 Mo.	1 Yr	3 Yr	5 Yr	10 Yr			
Comparative Indexes		S&P 500		1995.0		-3.0	-3.0	-0.6	14.2	17.5	15.6	7.6	1.00		
		Nasdaq Composite		4635.2		-2.1	-2.1	0.4	14.3	19.6	18.0	9.5	1.19		
		Dow Jones Industrials		17165.0		-3.6	-3.6	-0.7	11.9	13.6	14.2	7.8	1.02		
		Russell 2000 (Small Caps)		1165.4		-3.2	-3.2	-0.4	4.4	15.3	15.7	7.9	1.41		
		Barclays Aggregate Bond*				2.2	2.2	3.0	6.5	2.9	4.4	4.5	0.32		
Model Portfolios		Unique Opportunities				-2.2	-2.2	-0.4	5.1	15.3	13.7	8.2	1.16		
		Select Growth				-2.7	-2.7	2.8	15.5	19.6	17.2	10.1	1.12		
		Growth & Income				-2.3	-2.3	-0.4	10.1	14.2	13.7	6.8	1.11		
		Income				-1.4	-1.4	-0.2	9.7	12.2	10.8	6.4	0.74		
												Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)		
<b>LARGE CAP GROWTH</b>						<b>Category Averages</b>			<b>-1.6</b>	<b>-1.6</b>	<b>-0.3</b>	<b>10.2</b>	<b>17.9</b>	<b>16.2</b>	<b>1.17</b>
312	FBGRX	Blue Chip Growth		67.88	Buy	-0.8	-0.8	1.6	15.5	20.6	18.2	1.27	\$13,368		
307	FDCAX	Capital Appreciation		35.76	Buy	-0.8	-0.8	-0.1	11.1	19.3	17.0	1.02	6,097		
22	FCNTX	Contrafund		96.66	Buy	-1.3	-1.3	0.3	10.6	17.1	15.6	1.05	76,030		
332	FEXPX	Export and Multinational	0.75%/30d	20.67	Hold	-3.0	-3.0	-0.3	10.2	14.3	12.0	0.99	1,615		
3	FFIDX	Fidelity Fund		41.91	OK to Sell	-2.2	-2.2	0.7	13.2	16.6	14.3	1.06	4,804		
500	FFTYX	Fifty (Closed)		28.53	Buy	-2.2	-2.2	-2.7	1.7	16.4	15.0	1.22	742		
333	FTQGX	Focused Stock		18.35	Buy	-2.1	-2.1	-2.6	1.6	16.6	17.0	1.24	1,589		
25	FDGRX	Growth Company (Closed)		131.02	Buy	-0.5	-0.5	2.2	14.0	19.6	19.0	1.31	24,026		
339	FDSVX	Growth Discovery		23.50	OK to Buy	-0.5	-0.5	-1.0	10.3	17.9	18.0	1.18	1,062		
73	FDFFX	Independence		38.26	OK to Sell	-0.3	-0.3	0.0	9.5	19.5	16.5	1.32	4,138		
21	FMAGX	Magellan		90.24	OK to Buy	-2.5	-2.5	-0.3	13.4	18.8	13.1	1.12	14,107		
300	FMILX	New Millennium		37.20	Buy	-4.0	-4.0	-3.5	3.7	15.9	15.7	1.14	4,191		
93	FOCPX	OTC		79.47	OK to Buy	-0.1	-0.1	2.2	14.7	20.8	19.4	1.51	8,596		
320	FDSSX	Stock Selector All Cap		34.64	Hold	-1.9	-1.9	-0.5	11.4	17.4	15.1	1.06	4,393		
5	FTRNX	Trend		83.85	Buy	-2.1	-2.1	-0.2	11.6	18.1	17.2	1.11	1,470		
<b>LARGE CAP BLEND</b>						<b>Category Averages</b>			<b>-3.9</b>	<b>-3.9</b>	<b>-2.3</b>	<b>10.7</b>	<b>17.6</b>	<b>14.9</b>	<b>1.11</b>
315	FDEQX	Disciplined Equity		32.82	Hold	-2.4	-2.4	0.5	12.6	18.4	13.8	1.10	1,256		
330	FDGFX	Dividend Growth		32.41	OK to Buy	-3.0	-3.0	-1.2	12.2	16.2	14.3	1.11	6,613		
27	FGRIX	Growth & Income		28.86	Buy	-4.5	-4.5	-3.2	10.2	17.2	15.1	1.06	6,699		
338	FLCSX	Large Cap Stock		26.97	Buy	-4.5	-4.5	-4.0	7.9	18.8	16.2	1.16	3,176		
361	FGRTX	Mega Cap Stock		15.68	Buy	-5.0	-5.0	-3.5	10.8	17.3	15.3	1.10	3,297		
<b>LARGE CAP VALUE</b>						<b>Category Averages</b>			<b>-3.3</b>	<b>-3.3</b>	<b>-0.7</b>	<b>12.7</b>	<b>16.8</b>	<b>13.2</b>	<b>1.03</b>
1271	FBCVX	Blue Chip Value		15.85	OK to Buy	-2.8	-2.8	1.6	14.8	17.7	12.1	1.17	354		
319	FEQTX	Equity Dividend Income		25.81	OK to Buy	-3.3	-3.3	-1.0	12.9	15.8	12.8	0.96	5,224		
23	FEQIX	Equity-Income		57.26	Hold	-3.6	-3.6	-2.5	8.5	14.9	12.2	0.96	7,010		
708	FSLVX	Stock Sel Large Cap Value		16.51	OK to Buy	-3.7	-3.7	-1.8	12.5	17.1	13.7	1.01	801		
832	FVDFX	Value Discovery		23.86	OK to Buy	-3.2	-3.2	0.2	15.0	18.8	15.5	1.04	946		
<b>MID-CAP GROWTH</b>						<b>Category Averages</b>			<b>-1.9</b>	<b>-1.9</b>	<b>0.8</b>	<b>10.4</b>	<b>16.6</b>	<b>15.8</b>	<b>1.14</b>
324	FDEGX	Growth Strategies	1.50%/90d	31.67	Buy	-2.0	-2.0	1.9	15.1	16.4	15.7	1.14	1,959		
337	FMCSX	Mid-Cap Stock	0.75%/30d	37.78	Buy	-1.6	-1.6	-0.2	6.8	16.7	15.9	1.18	5,860		
2412	FSSMX	Stock Selector Mid Cap		32.69	Hold	-2.3	-2.3	0.6	9.2	16.6	15.8	1.11	559		
<b>MID-CAP BLEND</b>						<b>Category Averages</b>			<b>-3.3</b>	<b>-3.3</b>	<b>-0.3</b>	<b>6.9</b>	<b>17.0</b>	<b>15.2</b>	<b>1.15</b>
2624	FARNX	Event Driven Opportunities		10.70	Buy	-3.1	-3.1	1.8	8.8	--	--	--	165		
122	FLVCX	Leveraged Company Stock	1.50%/90d	43.73	Hold	-3.5	-3.5	-2.5	5.0	17.0	15.2	1.15	3,936		
<b>MID-CAP VALUE</b>						<b>Category Averages</b>			<b>-2.4</b>	<b>-2.4</b>	<b>-0.1</b>	<b>11.1</b>	<b>18.4</b>	<b>16.3</b>	<b>1.10</b>
316	FLPSX	Low-Priced Stock	1.50%/90d	48.70	Hold	-3.1	-3.1	-1.2	8.0	16.1	15.3	1.09	30,318		
762	FSMVX	Mid Cap Value	0.75%/30d	24.15	Buy	-1.9	-1.9	1.7	17.8	21.6	18.5	1.14	2,452		
39	FDVLX	Value		110.34	Buy	-2.6	-2.6	-0.2	10.8	19.4	16.4	1.14	8,106		
14	FSLSX	Value Strategies		42.23	OK to Buy	-2.2	-2.2	-0.5	8.0	16.5	15.2	1.02	762		
<b>SMALL CAP GROWTH</b>						<b>Category Averages</b>			<b>-1.4</b>	<b>-1.4</b>	<b>3.4</b>	<b>3.0</b>	<b>16.5</b>	<b>16.2</b>	<b>1.38</b>
1388	FCPGX	Small Cap Growth	1.50%/90d	18.15	OK to Buy	-1.4	-1.4	3.4	3.0	16.5	16.2	1.38	902		
<b>SMALL CAP BLEND</b>						<b>Category Averages</b>			<b>-2.7</b>	<b>-2.7</b>	<b>0.5</b>	<b>6.8</b>	<b>14.9</b>	<b>15.2</b>	<b>1.31</b>
384	FSCRX	Small Cap Discovery (Closed)	1.50%/90d	29.07	Hold	-3.4	-3.4	0.6	8.8	18.7	18.9	1.34	6,119		
340	FSLCX	Small Cap Stock	2.00%/90d	18.30	Hold	-2.6	-2.6	-0.5	8.3	12.4	10.7	1.24	1,809		
336	FDSCX	Stock Selector Small Cap	1.50%/90d	24.17	Hold	-2.1	-2.1	1.4	3.2	13.7	15.9	1.33	1,422		
<b>SMALL CAP VALUE</b>						<b>Category Averages</b>			<b>-3.0</b>	<b>-3.0</b>	<b>1.7</b>	<b>9.0</b>	<b>17.2</b>	<b>15.5</b>	<b>1.37</b>
1389	FCPVX	Small Cap Value (Closed)	1.50%/90d	18.37	Hold	-3.0	-3.0	1.7	9.0	17.2	15.5	1.37	2,073		

**Notes:** \*Fidelity's Spartan U.S. Bond Index used as a proxy for the Barclays Aggregate Bond Index. <sup>1</sup> Relative Volatility versus the S&P 500 over the last 36 months; 1.50 means the fund has been 50% more volatile. <sup>2</sup> Duration is a measure of interest rate sensitivity. <sup>3</sup> Stated yield is before any inflation adjustment, your effective yield may be different. <sup>4</sup> Also available in an Advantage share class with a minimum of \$10,000, but a lower expense ratio. <sup>5</sup> Formerly California Short-Intermediate Tax-Free Bond. <sup>6</sup> Formerly Short-Intermediate Municipal Income. (p) Partial year; (↑) Rating upgraded; (↓) Rating downgraded.

# FIDELITY SCORECARD

JANUARY 31, 2015

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)
						Jan	YTD	3 Mo.	1 Year	3 Year	5 Year		
<b>SPECIALTY</b>													
304	FBALX	Balanced		22.51	Buy	-1.1	-1.1	0.1	10.8	12.7	11.8	0.70	\$20,044
308	FCVFX	Convertible Securities		31.52	OK to Buy	-2.2	-2.2	0.5	6.7	12.8	12.1	0.87	2,268
334	FGBLX	Global Balanced	1.00%/30d	22.71	OK to Sell	-0.6	-0.6	-1.6	-0.6	7.3	7.8	0.78	524
2120	FFGCX	Global Commodity Stock	1.00%/30d	12.27	Hold	-1.5	-1.5	-6.3	-7.1	-5.7	-0.9	1.60	206
1960	FDYSX	Global Strategies		8.69	Hold	0.2	0.2	-0.6	5.3	6.3	7.3	0.62	120
1368	FIREX	International Real Estate	1.50%/90d	10.34	OK to Sell	2.1	2.1	0.7	9.3	16.4	10.5	1.41	314
4	FPURX	Puritan		21.26	Buy	-1.1	-1.1	0.4	10.5	12.9	11.9	0.72	18,754
833	FRIFX	Real Estate Income	0.75%/90d	11.93	OK to Buy	2.2	2.2	3.2	12.6	11.1	11.9	0.54	2,693
303	FRESX	Real Estate Investment	0.75%/90d	43.70	Hold	7.0	7.0	10.2	34.5	16.1	20.1	1.43	4,580
1329	FSDIX	Strategic Dividend & Income		14.38	OK to Buy	-0.4	-0.4	1.3	14.5	13.9	13.9	0.71	3,078
1505	FSRRX	Strategic Real Return	0.75%/60d	9.12	OK to Sell	0.9	0.9	-1.9	0.6	1.6	4.9	0.53	647
311	FIUIX	Telecom & Utilities		24.14	Hold	0.0	0.0	-1.3	12.2	16.1	15.7	1.09	987
<b>ASSET ALLOCATION</b>													
328	FASIX	Asset Manager 20%		13.32	Hold	0.6	0.6	0.9	4.7	4.9	5.6	0.29	4,945
1957	FTANX	Asset Manager 30%		10.55	Hold	0.5	0.5	0.8	5.5	6.4	6.9	0.39	795
1958	FFANX	Asset Manager 40%		10.76	Hold	0.3	0.3	0.6	6.1	7.7	8.0	0.48	834
314	FASMX	Asset Manager 50%		17.04	Hold	0.0	0.0	0.3	6.5	8.9	8.9	0.58	8,005
1959	FSANX	Asset Manager 60%		11.04	Hold	-0.3	-0.3	0.1	6.8	10.0	9.7	0.68	1,285
321	FASGX	Asset Manager 70%		19.64	Hold	-0.6	-0.6	-0.3	7.0	11.1	10.5	0.79	3,857
347	FAMRX	Asset Manager 85%		16.26	Hold	-1.0	-1.0	-0.8	7.4	12.9	11.5	0.94	1,357
<b>EQUITY INDEX</b>													
355	FFNOX	Four-in-One Index		36.69	Hold	-1.2	-1.2	-0.5	8.5	13.1	11.8	0.91	4,033
2010	FIENX	International Enhanced Index	1.00%/30d	8.30	Hold	1.5	1.5	-1.0	1.4	10.6	7.6	1.37	84
1827	FLCEX	Large Cap Core Enhcd Index		11.63	Buy	-2.8	-2.8	-0.8	14.3	17.8	15.7	1.01	364
1829	FLGEX	Large Cap Growth Enhcd Index		14.53	OK to Buy	-1.4	-1.4	0.6	16.0	17.7	16.5	1.02	347
1828	FLVEX	Large Cap Value Enhcd Index		10.80	OK to Buy	-4.0	-4.0	-1.5	13.7	18.6	15.6	1.05	933
2012	FMEIX	Mid Cap Enhanced Index	0.75%/30d	13.45	OK to Buy	-0.9	-0.9	2.5	15.5	19.8	18.1	1.11	454
1282	FNCMX	Nasdaq Composite Index	0.75%/90d	61.02	Hold	-2.1	-2.1	0.4	14.2	19.4	17.8	1.19	1,436
2011	FCPEX	Small Cap Enhanced Index	1.50%/90d	12.25	Hold	-2.2	-2.2	-0.1	6.8	16.7	17.3	1.37	434
650	FUSEX	Spartan 500 Index <sup>4</sup>		70.66	Hold	-3.0	-3.0	-0.7	14.1	17.4	15.5	1.00	7,122
2341	FPEMX	Spartan Emerging Mkts Index <sup>4</sup>	1.50%/90d	9.43	Hold	0.2	0.2	-5.5	8.1	0.3	--	1.52	17
398	FSEMEX	Spartan Extended Mkt Index <sup>4</sup>	0.75%/90d	54.13	OK to Buy	-1.9	-1.9	0.4	7.6	17.0	16.9	1.24	1,924
2345	FSGUX	Spartan Global ex U.S. Index <sup>4</sup>	1.00%/90d	11.53	Hold	0.0	0.0	-3.7	0.6	6.3	--	1.34	15
399	FSIIX	Spartan Int'l Index <sup>4</sup>	1.00%/90d	37.51	Hold	0.8	0.8	-2.5	-0.3	9.2	6.5	1.39	2,784
2349	FSCLX	Spartan Mid Cap Index <sup>4</sup>	0.75%/30d	17.16	OK to Buy	-1.6	-1.6	1.1	13.4	18.1	--	1.08	27
2353	FRXIX	Spartan Real Estate Index <sup>4</sup>	0.75%/90d	15.80	Hold	6.7	6.7	10.8	34.8	15.9	--	1.44	22
2356	FSSPX	Spartan Small Cap Index <sup>4</sup>	1.50%/90d	16.23	Hold	-3.2	-3.2	-0.3	4.5	15.2	--	1.42	26
397	FSTMX	Spartan Total Mkt. Index <sup>4</sup>	0.50%/90d	58.20	Hold	-2.8	-2.8	-0.5	12.8	17.3	15.8	1.03	1,861
<b>INTERNATIONAL</b>						<b>Category Averages</b>	<b>0.1</b>	<b>0.1</b>	<b>-2.6</b>	<b>2.0</b>	<b>8.9</b>	<b>7.8</b>	<b>1.41</b>
309	FICDX	Canada	1.50%/90d	48.10	Hold	-8.6	-8.6	-9.3	-1.9	2.6	5.4	1.22	1,957
352	FHKCX	China Region	1.50%/90d	30.82	OK to Buy	0.5	0.5	2.7	8.6	13.0	10.0	1.42	1,346
325	FDIVX	Diversified International	1.00%/30d	34.76	Hold	0.9	0.9	-0.5	2.2	11.2	7.8	1.27	13,425
351	FSEAX	Emerging Asia	1.50%/90d	33.13	Hold	1.5	1.5	1.2	14.9	7.6	8.4	1.35	1,088
2053	FEMEX	Emerg Europe, MidEast, Africa	1.50%/90d	8.03	OK to Sell	0.5	0.5	-9.4	-4.5	0.5	3.4	1.55	83
322	FEMKX	Emerging Markets	1.50%/90d	24.38	Hold	0.3	0.3	-3.5	9.5	3.7	3.8	1.48	2,285
2374	FEDDX	Emerging Mkts Discovery	2.00%/90d	11.61	Hold	-0.3	-0.3	-4.9	3.5	5.9	--	1.36	65
301	FIEXX	Europe	1.00%/30d	35.75	Hold	1.4	1.4	0.9	-2.1	12.1	7.7	1.46	1,188
2406	FGILX	Global Equity-Income	1.00%/30d	11.83	OK to Buy	-1.1	-1.1	-0.6	8.8	--	--	--	58
335	FIVFX	International Cap App	1.00%/30d	16.43	Buy	0.4	0.4	0.6	8.3	13.5	10.8	1.28	1,204
305	FIGRX	International Discovery	1.00%/30d	38.35	Hold	1.0	1.0	-1.1	0.3	11.3	7.7	1.33	7,267
1979	FIGFX	International Growth	1.00%/30d	10.90	OK to Buy	0.9	0.9	-1.0	3.6	10.6	10.1	1.20	628
818	FISMX	International Small Cap	2.00%/90d	21.45	Hold	-0.9	-0.9	-0.9	-3.5	12.2	10.3	1.39	733
1504	FSCOX	International Small Cap Opps	2.00%/90d	13.70	Hold	0.2	0.2	0.1	0.2	12.5	12.1	1.15	539
1597	FIVLX	International Value	1.00%/30d	8.13	OK to Sell	1.0	1.0	-2.3	-1.8	9.7	5.0	1.41	184
350	FJPNX	Japan	1.50%/90d	11.14	OK to Sell	1.8	1.8	-4.0	-2.6	6.6	3.7	1.47	383
360	FJSCX	Japan Smaller Companies	1.50%/90d	12.72	OK to Sell	3.3	3.3	-1.2	0.4	16.3	10.8	2.10	378
349	FLATX	Latin America	1.50%/90d	22.56	OK to Sell	-5.2	-5.2	-18.2	-11.7	-14.5	-5.8	1.96	750
342	FNORX	Nordic	1.50%/90d	43.27	Hold	1.6	1.6	-0.2	0.9	18.3	12.9	1.74	451
94	FOSFX	Overseas	1.00%/30d	38.72	Hold	1.5	1.5	0.9	1.7	12.9	7.9	1.28	2,703
302	FPBFX	Pacific Basin	1.50%/90d	26.50	Hold	1.7	1.7	-2.2	7.0	13.3	11.8	1.34	651
2369	FTEMX	Total Emerging Markets	1.50%/90d	10.72	Hold	-0.1	-0.1	-5.8	3.2	3.0	--	1.31	40
1978	FTIEX	Total International Equity	1.00%/30d	7.71	Hold	0.8	0.8	-1.9	2.0	8.8	6.9	1.25	318
318	FWWFX	Worldwide	1.00%/30d	22.17	OK to Buy	-0.6	-0.6	-1.3	1.7	14.2	12.6	1.21	1,498

# FIDELITY SCORECARD

JANUARY 31, 2015

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) <sup>1</sup>	Assets (\$Mil)		
						Jan	YTD	3 Mo.	1 Year	3 Year	5 Year				
<b>SELECT PORTFOLIOS</b>						<b>Category Averages</b>			<b>-2.3</b>	<b>-2.3</b>	<b>-0.2</b>	<b>9.0</b>	<b>16.0</b>	<b>15.1</b>	<b>1.47</b>
34	FSAIX	Air Transportation	0.75%/30d	71.63	Buy	-4.0	-4.0	7.3	22.5	26.2	22.3	1.34	\$695		
502	FSAVX	Automotive	0.75%/30d	45.14	Hold	-1.7	-1.7	1.4	5.9	18.1	15.7	1.53	135		
507	FSRBX	Banking	0.75%/30d	24.47	Hold	-8.9	-8.9	-6.6	1.3	16.3	10.4	1.32	628		
42	FBIOX	Biotechnology	0.75%/30d	235.85	Hold	6.6	6.6	11.8	27.3	42.5	33.3	2.22	10,924		
68	FSLBX	Brokerage & Investment	0.75%/30d	69.52	Hold	-8.0	-8.0	-4.6	2.0	18.1	10.3	1.60	609		
69	FSCHX	Chemicals	0.75%/30d	143.67	Buy	-2.1	-2.1	-2.0	7.8	15.0	18.8	1.16	1,599		
518	FSDCX	Communications Equipment	0.75%/30d	29.83	Hold	-6.3	-6.3	-2.0	6.1	11.2	10.9	1.71	263		
7	FDCPX	Computers	0.75%/30d	78.25	Hold	-5.5	-5.5	-1.8	11.0	13.4	16.3	1.50	796		
511	FSHOX	Construction & Housing	0.75%/30d	55.94	OK to Buy↑	-0.2	-0.2	4.8	17.9	21.5	20.0	1.46	365		
517	FSCPX	Consumer Discretionary	0.75%/30d	32.61	Buy	-3.1	-3.1	3.1	13.6	19.5	19.3	1.21	992		
98	FSVLX	Consumer Finance	0.75%/30d	13.08	OK to Buy	-7.2	-7.2	-6.3	4.0	18.5	13.1	1.27	145		
9	FDFAV	Consumer Staples	0.75%/30d	98.41	Hold	0.7	0.7	3.8	25.2	17.9	15.6	1.21	2,044		
67	FSDAX	Defense & Aerospace	0.75%/30d	119.78	OK to Buy	1.7	1.7	5.5	6.9	18.6	18.5	1.19	819		
8	FSELX	Electronics	0.75%/30d	83.20	Buy	-1.9	-1.9	7.2	35.0	19.4	18.5	1.60	2,145		
60	FSENX	Energy	0.75%/30d	43.62	Hold	-2.7	-2.7	-13.9	-10.1	1.6	5.5	1.83	1,960		
43	FSSEX	Energy Service	0.75%/30d	51.54	OK to Sell	-8.4	-8.4	-26.3	-26.2	-5.2	0.9	2.27	691		
516	FSLEX	Environment & Alt Energy	0.75%/30d	19.71	Hold	-3.4	-3.4	-1.1	1.8	12.7	9.7	1.21	88		
66	FIDSX	Financial Services	0.75%/30d	83.49	OK to Buy	-6.1	-6.1	-3.3	8.2	16.6	8.4	1.25	1,388		
41	FSAGX	Gold	0.75%/30d	19.24	Sell	17.0	17.0	23.3	-4.2	-25.6	-10.4	3.77	867		
63	FSPHX	Health Care	0.75%/30d	222.20	Buy	2.1	2.1	5.7	26.7	34.3	26.4	1.33	8,618		
510	FSCGX	Industrial Equipment	0.75%/30d	35.96	OK to Buy	-4.4	-4.4	-2.8	-0.5	11.3	14.2	1.31	234		
515	FCYIX	Industrials	0.75%/30d	30.92	Buy	-2.7	-2.7	-0.1	6.6	16.5	17.3	1.21	1,138		
45	FSPCX	Insurance	0.75%/30d	62.77	Buy	-7.0	-7.0	-3.5	10.0	19.0	14.7	1.28	407		
353	FBSOX	IT Services	0.75%/30d	35.50	Hold	-3.4	-3.4	1.4	7.3	20.9	19.0	1.50	905		
62	FDSLX	Leisure	0.75%/30d	132.88	Buy	0.2	0.2	5.7	13.6	17.5	20.2	1.35	419		
509	FSDPX	Materials	0.75%/30d	75.25	OK to Buy	-2.3	-2.3	-2.4	1.8	8.6	12.6	1.17	1,086		
505	FSHCX	Medical Delivery	0.75%/30d	82.17	Hold	0.1	0.1	3.9	22.1	20.2	18.6	1.18	808		
354	FSMEX	Medical Equipment	0.75%/30d	39.33	Buy	1.3	1.3	6.9	24.5	24.5	17.7	1.37	1,912		
503	FBMPX	Multimedia	0.75%/30d	74.90	Hold	-6.8	-6.8	-3.3	5.7	23.0	21.6	1.30	851		
513	FSNGX	Natural Gas	0.75%/30d	30.51	Hold	-5.8	-5.8	-17.1	-16.1	0.4	1.2	1.80	562		
514	FNARX	Natural Resources	0.75%/30d	30.20	OK to Sell	-0.7	-0.7	-11.1	-9.6	-0.7	4.8	1.84	731		
580	FPHAX	Pharmaceuticals	0.75%/30d	21.79	OK to Buy	1.9	1.9	3.5	24.1	26.3	22.1	1.12	1,735		
46	FSRPX	Retailing	0.75%/30d	88.23	Hold	-2.0	-2.0	6.2	16.8	22.9	21.7	1.48	841		
28	FSCSX	Software & Computer Svcs	0.75%/30d	109.81	OK to Buy	-5.3	-5.3	-2.1	2.6	19.2	19.1	1.42	3,041		
64	FSPTX	Technology	0.75%/30d	112.90	OK to Buy	-1.4	-1.4	-0.6	8.8	15.9	16.2	1.37	2,708		
96	FSTCX	Telecommunications	0.75%/30d	59.39	OK to Buy	-1.6	-1.6	-2.8	3.9	13.8	12.5	1.12	347		
512	FSRFX	Transportation	0.75%/30d	90.34	Buy	-6.1	-6.1	2.2	24.9	24.2	23.7	1.25	1,208		
65	FSUTX	Utilities	0.75%/30d	75.38	OK to Sell	0.3	0.3	1.8	18.7	17.9	15.6	1.25	1,014		
963	FWRLX	Wireless	0.75%/30d	8.94	OK to Buy	-1.8	-1.8	-1.5	3.5	13.9	13.1	1.05	264		
<b>SECTOR ETFs</b>															
	FDIS	MSCI Consumer Discretionary		28.30	Buy	-3.1	-3.1	3.1	12.5	--	--	--	229		
	FSTA	MSCI Consumer Staples		29.08	Hold	-1.3	-1.3	3.3	20.7	--	--	--	175		
	FENY	MSCI Energy		21.73	Hold	-4.8	-4.8	-13.8	-8.5	--	--	--	187		
	FNCL	MSCI Financials		27.50	OK to Buy	-5.6	-5.6	-2.0	11.1	--	--	--	301		
	FHLC	MSCI Healthcare		33.41	OK to Buy	1.6	1.6	4.1	25.1	--	--	--	404		
	FIDU	MSCI Industrials		27.61	Buy	-4.1	-4.1	-1.9	7.0	--	--	--	141		
	FTEC	MSCI Information Technology		30.56	OK to Buy	-3.6	-3.6	-0.0	16.8	--	--	--	318		
	FMAT	MSCI Materials		26.79	OK to Buy	-2.6	-2.6	-1.8	7.6	--	--	--	107		
	FCOM	MSCI Telecomm Services		26.16	OK to Buy	-1.8	-1.8	-3.2	6.8	--	--	--	84		
	FUTY	MSCI Utilities		31.20	OK to Sell↑	2.1	2.1	6.6	26.3	--	--	--	197		

## New Trading Venue

Fidelity will soon launch a joint venture with its competitors called Luminex — a sort of private stock exchange. Sometimes called a matching service or crossing network, its eight other partners (including T. Rowe Price and BlackRock) sets Luminex apart from other better-known exchanges like the NYSE, and

even Fidelity's own CrossStream.

While some refer to these venues as “dark pools” because trades are mostly anonymous (this prevents front-running), their goals include decreasing costs in several ways, including large “block” trades and more efficient pricing, meaning better execution quality. To that end, the consortia (which will open to other institutions) will actively keep out

“predatory” high-speed traders.

According to Bob Minicus, the head of Fidelity's global equity trading, certain high-frequency traders disrupt markets by bidding up prices ahead of their execution. They do so with the aid of fast computers and other equipment. In keeping these firms out, Fidelity and its rivals all hope to further improve fund performance.

We applaud their effort! ■

# FIDELITY SCORECARD

JANUARY 31, 2015

Fund No.	Fund Ticker	Fund Name	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			SEC %Yield	Dur <sup>2</sup> (Yrs)	Rel Vol (Risk) <sup>1</sup>			
						Jan	YTD	3 Mo.	1 Yr	3 Yr	5 Yr						
<b>TAXABLE BOND</b>						<b>Category Averages</b>			<b>1.8</b>	<b>1.8</b>	<b>2.1</b>	<b>4.9</b>	<b>2.5</b>	<b>4.3</b>	<b>1.50</b>	<b>4.9</b>	<b>0.34</b>
2267	FCONX	Conservative Income Bond		10.03	Buy	0.0	0.0	-0.0	0.2	0.7	--	0.24	0.2	0.02			
2208	FCBFX	Corporate Bond		11.75	Buy	2.8	2.8	3.5	8.8	5.5	--	2.66	6.9	0.47			
2423	FGBFX	Global Bond		9.38	OK to Sell	0.0	0.0	-1.4	-0.2	--	--	1.79	6.3	--			
15	FGMNX	GNMA (Ginnie Mae)		11.71	Hold	0.6	0.6	1.2	4.7	2.4	4.2	2.09	2.9	0.29			
54	FGOVX	Government Income		10.72	Hold	2.1	2.1	3.0	6.0	2.3	3.8	1.19	4.7	0.30			
794	FINPX	Inflation-Protected Bond <sup>3</sup>		12.39	OK to Sell	3.2	3.2	2.3	4.4	0.4	4.0	-0.18	5.7	0.59			
32	FTHRX	Intermediate Bond		11.08	Buy	1.6	1.6	1.7	3.8	2.7	4.2	2.23	3.9	0.24			
452	FSTGX	Intermediate Gov't Income		10.84	Hold	1.6	1.6	1.7	3.3	1.4	2.8	0.87	3.5	0.21			
2428	FINUX	International Bond		8.97	OK to Sell	-1.5	-1.5	-4.3	-5.0	--	--	1.77	6.9	--			
26	FBNDX	Investment Grade Bond		8.05	Buy	1.9	1.9	2.5	6.3	3.6	5.3	2.77	5.3	0.32			
2622	FJRLX	Limited Term Bond		11.57	Buy	1.0	1.0	0.9	2.3	2.1	3.9	1.62	2.7	--			
662	FFXSX	Limited Term Government		10.11	OK to Buy	1.0	1.0	0.9	1.8	0.9	1.6	0.63	2.5	0.12			
40	FMSFX	Mortgage Securities		11.43	Hold	0.9	0.9	1.7	5.5	2.9	4.3	2.47	3.3	0.27			
450	FSHBX	Short-Term Bond		8.62	Buy	0.6	0.6	0.5	1.2	1.2	1.8	0.94	1.8	0.07			
2415	FSIQX	Sptn Inflation-Protect Index <sup>4</sup>		9.90	OK to Sell	3.3	3.3	2.5	4.8	--	--	0.06	5.7	--			
1561	FIBIX	Sptn Inter Treas Index <sup>4</sup>		11.34	Hold	3.4	3.4	4.4	7.5	2.3	5.4	1.48	6.5	0.50			
1562	FLBIX	Sptn Lng-Term Treas Index <sup>4</sup>		14.50	Hold	9.1	9.1	15.3	28.7	7.1	11.1	2.13	17.2	1.24			
1560	FSBIX	Sptn Sht-Term Treas Index <sup>4</sup>		10.53	Hold	1.0	1.0	0.9	1.6	0.7	1.6	0.59	2.6	0.13			
651	FBIDX	Sptn U.S. Bond Index		11.97	Hold	2.2	2.2	3.0	6.5	2.9	4.4	1.97	5.2	0.32			
820	FTBFX	Total Bond		10.86	Buy	1.9	1.9	2.2	6.1	3.9	5.4	2.73	5.0	0.32			
<b>HIGH-YIELD BOND</b>						<b>Category Averages</b>			<b>0.3</b>	<b>0.3</b>	<b>-1.7</b>	<b>2.8</b>	<b>5.8</b>	<b>6.9</b>	<b>4.98</b>	<b>3.8</b>	<b>0.50</b>
38	FAGIX	Capital & Income	1.00%/90d	9.74	Hold	1.0	1.0	0.1	7.1	9.5	9.5	4.09	4.1	0.54			
814	FFRHX	Floating Rate High Income	1.00%/60d	9.61	Hold	0.2	0.2	-1.0	0.1	3.2	4.0	4.37	0.3	0.20			
1366	FHIFX	Focused High Income	1.00%/90d	8.59	Hold	0.9	0.9	-0.9	2.9	5.5	7.3	4.90	4.0	0.43			
2297	FGHNX	Global High Income	1.00%/90d	9.36	Hold	0.0	0.0	-2.6	1.6	6.8	--	5.82	4.2	0.56			
455	SPHIX	High Income	1.00%/90d	8.89	Hold	0.4	0.4	-1.7	1.4	6.5	7.8	6.01	3.6	0.48			
331	FNMIX	New Markets Income	1.00%/90d	15.12	Hold	-0.5	-0.5	-5.1	5.5	4.5	6.8	5.61	6.6	0.84			
2580	FSAHX	Short Duration High Income	1.00%/90d	9.63	Hold	-0.1	-0.1	-1.8	-0.4	--	--	5.47	2.7	--			
368	FSICX	Strategic Income		10.74	OK to Buy	0.8	0.8	-0.6	4.0	4.4	5.8	3.55	5.1	0.42			
<b>MUNICIPAL BOND</b>						<b>Category Averages</b>			<b>1.7</b>	<b>1.7</b>	<b>2.3</b>	<b>8.0</b>	<b>3.9</b>	<b>4.9</b>	<b>1.34</b>	<b>5.6</b>	<b>0.37</b>
434	FSAZX	Arizona Muni Income	0.50%/30d	12.42	OK to Buy	1.9	1.9	3.0	10.3	4.6	5.6	1.47	6.4	0.42			
1534	FCSTX	Calif Limited Term Tax Free <sup>6</sup>	0.50%/30d	10.82	Buy	1.0	1.0	1.0	3.3	2.0	2.7	0.69	3.1	0.17			
91	FCTFX	California Muni Income	0.50%/30d	13.32	OK to Buy	2.0	2.0	2.8	10.3	5.4	6.5	1.50	6.2	0.41			
407	FICNX	Connecticut Muni Income	0.50%/30d	11.96	OK to Buy	2.0	2.0	2.5	8.7	3.4	4.8	1.55	6.4	0.39			
2578	FCRDX	Conservative Income Muni		10.05	Buy	0.1	0.1	0.1	0.4	--	--	0.12	0.8	--			
36	FLTXX	Interm Municipal Income	0.50%/30d	10.69	Buy	1.5	1.5	2.0	6.7	3.3	4.3	1.21	4.7	0.29			
404	FSTFX	Limited Term Muni Income <sup>7</sup>	0.50%/30d	10.78	Buy	1.0	1.0	0.9	2.5	1.6	2.3	0.57	2.7	0.14			
429	SMDMX	Maryland Muni Income	0.50%/30d	11.67	OK to Buy	2.0	2.0	2.8	9.1	3.5	4.6	1.42	6.5	0.39			
70	FDMMX	Mass Muni Income	0.50%/30d	12.73	OK to Buy	2.0	2.0	2.9	9.9	4.1	5.4	1.67	7.0	0.44			
81	FMHTX	Michigan Muni Income	0.50%/30d	12.51	OK to Buy	1.7	1.7	2.6	9.3	4.0	5.0	1.43	5.5	0.36			
82	FIMIX	Minnesota Muni Income	0.50%/30d	11.93	OK to Buy	1.6	1.6	2.2	7.0	3.1	4.4	1.25	5.5	0.32			
37	FHIGX	Municipal Income	0.50%/30d	13.77	Buy	2.1	2.1	3.0	10.5	4.9	6.0	1.63	6.7	0.43			
416	FNJHX	New Jersey Muni Income	0.50%/30d	12.22	OK to Buy	1.8	1.8	2.6	8.5	3.7	5.0	1.73	6.9	0.40			
71	FTFMX	New York Muni Income	0.50%/30d	13.78	OK to Buy	1.9	1.9	2.5	9.6	4.1	5.2	1.49	6.7	0.42			
88	FOHFX	Ohio Muni Income	0.50%/30d	12.52	OK to Buy	2.4	2.4	3.4	10.5	4.6	5.5	1.67	7.2	0.44			
402	FPXTX	Pennsylvania Muni Income	0.50%/30d	11.52	OK to Buy	1.9	1.9	2.5	9.3	4.3	5.4	1.61	6.1	0.40			
90	FTABX	Tax-Free Bond	0.50%/30d	11.91	Buy	2.0	2.0	2.9	10.5	5.1	6.0	1.75	6.8	0.43			

Note: Yields on municipal bond and money market funds are not directly comparable to yields on taxable funds. In muni funds your effective yield will be higher as your tax-bracket increases.

TAXABLE MONEY MARKET FUNDS			Total Return (%)		SEC %Yield	MUNICIPAL MONEY MARKET FUNDS			Total Return (%)		SEC %Yield
			Jan	YTD					Jan	YTD	
55	FDRXX	Cash Reserves	0.00	0.00	0.01	457	FSPXX	California AMT Tax-Free	0.00	0.00	0.01
458	SPAXX	Government MM	0.00	0.00	0.01	418	FCMXX	Connecticut Muni MM	0.00	0.00	0.01
454	SPRXX	Money Market	0.00	0.00	0.01	426	FMSXX	Mass AMT Tax-Free	0.00	0.00	0.01
631	FGMXX	Retirement Gov't MM	0.00	0.00	0.01	74	FDMXX	Massachusetts Muni MM	0.00	0.00	0.01
630	FRTXX	Retirement MM	0.00	0.00	0.01	420	FMIXX	Michigan Muni MM	0.00	0.00	0.01
85	FSLXX	Select MM	0.00	0.00	0.01	10	FTEXX	Municipal Money Market	0.00	0.00	0.01
2543	FLTXX	Treasury MM	0.00	0.00	0.01	417	FNJXX	New Jersey Muni MM	0.00	0.00	0.01
415	FDLXX	Treasury Only MM	0.00	0.00	0.01	423	FSJXX	New Jersey AMT Tax-Free	0.00	0.00	0.01
50	FGRXX	U.S. Gov't Reserves	0.00	0.00	0.01	92	FNYYX	New York Muni MM	0.00	0.00	0.01
<b>MUNICIPAL MONEY MARKET FUNDS</b>						422	FSNXX	New York AMT Tax-Free	0.00	0.00	0.01
460	FIMXX	AMT Tax-Free Money Fnd	0.00	0.00	0.01	419	FOMXX	Ohio Muni MM	0.00	0.00	0.01
433	FSAXX	Arizona Muni MM	0.00	0.00	0.01	401	FPTXX	Pennsylvania Muni MM	0.00	0.00	0.01
97	FCFXX	California Muni MM	0.00	0.00	0.01	275	FMOXX	Tax-Free Money Market	0.00	0.00	0.01

# FIDELITY SCORECARD

JANUARY 31, 2015

Fund No.	Fund Ticker	Fund Name	Style	Sht-Term Fee	\$Price (NAV)	Advice	Total Return (%)			Avg Annual (%)			Rel Vol (Risk) <sup>1</sup>
							Jan	YTD	3 Mo.	1 Year	3 Year	5 Year	
<b>FIDELITY PERSONAL RETIREMENT ANNUITY PORTFOLIOS</b>													
Model Portfolios	Annuity Sector Model						-2.3	-2.3	-0.0	9.3	16.9	15.1	1.10
	Annuity Growth Model						-2.3	-2.3	-0.6	9.2	14.6	14.0	1.10
	Annuity Growth & Income Model						-1.2	-1.2	0.3	8.8	11.6	10.2	0.78
	Annuity Income Model						0.3	0.3	0.7	5.7	4.8	6.0	0.35
9067	FLRQC	Fid VIP Asset Manager	Allocation		17.46	Hold	0.8	0.8	0.6	5.9	9.5	9.2	0.68
9066	FAEEC	Fid VIP Asset Manager: Growth	Allocation		17.64	Hold	0.3	0.3	0.0	6.1	11.8	10.8	0.92
9069	FJBAC	Fid VIP Balanced	Allocation		19.25	Buy	-1.2	-1.2	-0.1	10.3	11.9	11.4	0.77
9081	FVHAC	Fid VIP Consumer Discretionary	Sector	1.00%/60d	21.71	Buy	-3.0	-3.0	3.3	12.8	19.1	18.9	1.21
9171	FCSAC	Fid VIP Consumer Staples	Sector	1.00%/60d	20.73	Hold	-0.9	-0.9	2.5	23.6	17.3	14.9	1.23
9065	FPDFC	Fid VIP Contrafund	Large Growth		20.21	Hold	-2.5	-2.5	-1.0	11.7	16.2	14.4	1.02
9148	FPRGC	Fid VIP Disciplined Small Cap	Small Growth		16.39	Hold	-2.1	-2.1	-0.2	6.2	16.0	16.6	1.36
9074	FZAMC	Fid VIP Dynamic Capital App	Large Growth		22.23	Buy	-1.1	-1.1	-0.6	10.6	19.6	17.0	1.05
9198	FEMAC	Fid VIP Emerging Markets	Emg Mkts	1.00%/60d	8.61	Hold	0.2	0.2	-3.6	8.8	3.2	3.3	1.47
9085	FJLLC	Fid VIP Energy	Sector	1.00%/60d	15.41	Hold	-2.7	-2.7	-14.1	-10.4	1.4	5.3	1.83
9061	FLOLC	Fid VIP Equity-Income	Large Value		16.61	Hold	-3.5	-3.5	-2.5	8.4	14.7	13.2	0.96
9083	FONNC	Fid VIP Financial Services	Sector	1.00%/60d	10.14	Buy	-6.1	-6.1	-3.3	8.0	16.5	8.3	1.25
9361	FFLCC	Fid VIP Floating Rate High Income	High-Yield Bond		9.95	OK to Buy	0.2	0.2	-0.9	--	--	--	--
9157	FMPAC	Fid VIP FundsManager 20	Allocation		14.13	Hold	0.6	0.6	1.2	4.6	4.4	4.9	0.30
9158	FMPBC	Fid VIP FundsManager 50	Allocation		15.16	Hold	-0.1	-0.1	0.7	6.0	8.4	8.2	0.59
9197	FMPCC	Fid VIP FundsManager 60	Allocation		14.04	Hold	-0.4	-0.4	0.4	6.4	9.9	9.3	0.69
9159	FMPCC	Fid VIP FundsManager 70	Allocation		15.25	Hold	-0.7	-0.7	0.1	6.4	11.0	10.1	0.80
9160	FMPDC	Fid VIP FundsManager 85	Allocation		15.11	Hold	-1.1	-1.1	-0.3	6.6	12.8	11.2	0.95
9062	FMNDC	Fid VIP Growth	Large Growth		19.72	OK to Buy	-0.5	-0.5	-1.0	10.0	17.6	17.5	1.19
9070	FLFNC	Fid VIP Growth & Income	Large Blend		18.67	Buy	-4.5	-4.5	-3.3	10.0	16.7	14.8	1.05
9068	FIDPC	Fid VIP Growth Opportunities	Large Growth		20.40	Buy	-0.7	-0.7	1.8	10.8	18.5	19.3	1.36
9078	FPVDC	Fid VIP Growth Stock	Large Growth		21.18	Buy	-2.1	-2.1	-0.2	11.4	17.8	17.2	1.10
9077	FQBRC	Fid VIP Growth Strategies	Mid Growth		17.70	Buy	-2.0	-2.0	1.7	14.6	15.8	15.1	1.13
9084	FPDRC	Fid VIP Health Care	Sector	1.00%/60d	34.45	Buy	2.2	2.2	5.8	26.4	33.7	26.1	1.33
9060	FBBLC	Fid VIP High Income	High-Yield Bond		17.72	Hold	0.3	0.3	-2.3	0.7	5.7	7.3	0.46
9064	FXVLT	Fid VIP Index 500	Large Blend		19.19	Hold	-3.0	-3.0	-0.7	13.8	17.1	15.2	1.00
9082	FBALC	Fid VIP Industrials	Sector	1.00%/60d	25.38	Buy	-2.8	-2.8	-0.1	6.7	16.3	17.1	1.21
9076	FVJIC	Fid VIP Int'l Capital App	Diversified Int'l	1.00%/60d	15.50	Buy	0.5	0.5	0.6	8.0	13.1	10.5	1.28
9063	FTLKC	Fid VIP Investment Grade Bond	Inv Grd Bond		15.52	Buy	1.9	1.9	2.4	5.9	3.2	4.7	0.33
9172	FVMAC	Fid VIP Materials	Sector	1.00%/60d	17.88	Buy	-2.3	-2.3	-2.5	1.9	8.5	12.4	1.17
9071	FNBSB	Fid VIP Mid Cap	Mid Growth		21.37	OK to Buy	-2.4	-2.4	0.5	6.9	14.7	13.6	1.22
9059	FTNJC	Fid VIP Money Market	Money Mkt		11.37	--	0.0	0.0	0.0	-0.2	-0.2	-0.2	0.01
9088	FEMMC	Fid VIP Overseas	Diversified Int'l	1.00%/60d	14.35	Hold	-0.1	-0.1	-2.2	-3.6	10.2	7.2	1.39
9072	FFWKC	Fid VIP Real Estate	Sector		22.37	Hold	7.0	7.0	10.6	33.7	16.2	19.9	1.41
9075	FGDQC	Fid VIP Strategic Income	High-Yield Bond		17.35	Buy	0.7	0.7	-0.6	3.6	3.9	5.3	0.41
9086	FYENC	Fid VIP Technology	Sector	1.00%/60d	23.92	Buy	-2.0	-2.0	-1.7	8.3	14.7	15.5	1.34
9173	FVTAC	Fid VIP Telecommunications	Sector	1.00%/60d	12.89	OK to Buy	-1.8	-1.8	-2.9	3.5	13.7	12.6	1.14
9087	FXRRC	Fid VIP Utilities	Sector	1.00%/60d	22.94	OK to Sell	0.3	0.3	1.8	18.2	17.8	15.5	1.25
9079	FKMSC	Fid VIP Value	Mid Value		17.69	Buy	-3.1	-3.1	-1.2	11.0	17.8	15.0	1.08
9080	FUEBC	Fid VIP Value Leaders	Large Value		14.78	OK to Buy	-2.8	-2.8	1.4	14.1	17.1	11.7	1.16
9073	FRBSC	Fid VIP Value Strategies	Mid Value		18.87	OK to Buy	-2.2	-2.2	-0.7	8.0	16.3	15.1	1.03
9347	FBMEC	Black Rock Global Allocation	Global Allocation		11.83	Hold	0.1	0.1	-0.3	3.9	6.8	6.7	0.71
9349	FTMEC	Franklin Templeton Gobal Bond	Global Bond		11.04	OK to Sell	-0.5	-0.5	-2.6	3.7	3.9	5.8	0.68
9348	FFMEC	Franklin Templeton US Gov't	Intermed Gov't		10.25	Hold	0.5	0.5	0.7	2.4	0.8	2.3	0.22
9285	FIGXC	Invesco Global Core Eqty	Global Stock		11.00	Hold	-1.7	-1.7	-2.5	3.3	9.3	6.9	1.20
9147	FPRLC	Lazard Retirement Emerging Mkts	Emg Mkts		14.75	Hold	-0.5	-0.5	-9.7	3.1	0.9	3.7	1.72
9143	FPRMC	Morgan Stanley Emerg Mkt Debt	Emg Mkt Bond		16.27	Hold	-0.3	-0.3	-4.4	3.8	2.3	5.1	0.86
9144	FPRNC	Morgan Stanley Emerg Mkt Equity	Emg Mkts		12.66	Hold	1.0	1.0	-5.5	2.4	1.6	3.3	1.38
9146	FPRPC	Morgan Stanley Gib Tactical Alloc	Diversified Int'l		12.29	Hold	-0.9	-0.9	-2.1	2.9	8.4	7.3	0.76
9346	FPMEC	Pimco Commodity Real Return	Commodities		6.93	OK to Sell	-2.0	-2.0	-15.6	-20.8	-12.0	-2.9	1.52
9276	FPMBC	Pimco VIT Low Duration	Shrt-Term Bond		11.43	Buy	0.4	0.4	0.0	0.7	1.6	2.2	0.25
9277	FPNBC	Pimco VIT Real Return	TIPS		12.93	OK to Sell	3.5	3.5	1.7	4.1	0.7	4.3	0.66
9278	FPOBC	Pimco VIT Total Return	Intermed Bond		12.89	Hold	2.6	2.6	3.0	5.4	3.8	4.6	0.38

Annuity Sector	
Fund	Allocation
VIP Technology	25%
VIP Cons Discretionary	19
VIP Industrials	15
VIP Financial Services	14
VIP Health Care	14
VIP Materials	13
<b>Total Return:</b>	
Jan: -2.3% YTD: -2.3%	

Annuity Growth	
Fund	Allocation
VIP Growth Stock	24%
VIP Growth Opps	23
VIP Growth & Income	20
VIP Value	19
VIP Dynamic Cap App	14
<b>Total Return:</b>	
Jan: -2.3% YTD: -2.3%	

Annuity Growth & Income	
Fund	Allocation
VIP Investment Grade	31%
VIP Growth Opps	28
VIP Growth & Income	21
VIP Value	20
<b>Total Return:</b>	
Jan: -1.2% YTD: -1.2%	

Annuity Income	
Fund	Allocation
VIP Balanced	39%
VIP Investment Grade	34
Pimco VIT Low Duration	27
<b>Total Return:</b>	
Jan: 0.3% YTD: 0.3%	

## Fund Focus *cont'd from page 4*

Performance-wise, it lost steam early in 2014 as bad bets in tech and energy could not be overcome by solid stock picks in financials and consumer discretionary. The fund is volatile, so it's best deployed in more risk-tolerant portfolios. Suffice it to say, 2014 was a rare disappointment for this otherwise experienced manager.

### Growth & Income

Some of the country's biggest stocks dominate the fund, including top positions JP Morgan, Apple, Microsoft, GE and Chevron. And, true to its income moniker, last year's distributed yield was 1.8% versus 1.9% for the S&P 500. Owing to its large market cap and Manager Matt Fruhan's twin pursuits of yield and controlled risk, during his tenure the fund has provided risk-adjusted returns that are right in line with its benchmark. As such, it's an appropriate fit for our Growth & Income Model. (See box below for up-



Matt Fruhan

dates on his **Mega Cap Stock** and **Large Cap Stock** funds.)

The fund's performance slipped last year: a roughly 12% slug in unhedged foreign stocks was one reason. Later on, a modest overweight in energy crimped returns as oil prices fell. All-in-all, performance wasn't disastrous last year, while Matt's nod to risk-control is comforting.

### Growth Strategies

Jean Park continues to run this fund a bit differently than a "classic" mid-cap growth offering. While looking for strong growth, she also considers valuations, preferring stocks whose "low embedded expectations" mean reasonable prices and a higher probability of success with less downside risk.



Jean Park

In line with this philosophy, her holdings have higher-than-benchmark earnings growth with lower P/Es. Jean sticks closely to the industry weightings of the Russell Midcap Growth index (generally plus or minus two percentage points), letting

(hopefully) superior stockpicking drive returns. In 2014 that goal was achieved as she outperformed her benchmark through solid stock selection, particularly in health care (the fund's largest overweight at about 3 percentage points). This emphasis on value has helped to bring the fund's relative volatility down from 1.35 a year ago to 1.14 today.

Jean has only been on the fund for about a year and a half, but has delivered good results. As we continue to favor US stocks for 2015, and as this fund has low foreign exposure and a focus on mid-sized firms that tend to be less export dependent, it's a very strong choice.

### Mid Cap Value

New Manager Court Dignan's first full year on this fund was a strong one. As a value investor, Court seeks higher-quality companies selling at an average price, or average-quality companies trading at a discount. Reflecting this strategy, his fund sports lower P/Es than his index and higher rates of growth on equity. To help control risk, Court keeps major sec-

Fund Focus *cont'd on page 12*

## Fruhan's Funds Struggle

In addition to running **Growth & Income** (above), Matt Fruhan oversees **Large Cap Stock**, **Mega Cap Stock** and a variety of similar portfolios. In total, he looks after \$30 billion in assets, thereby making him one of Fidelity's most important managers. He's also been central to the performances of our Unique Opportunities Model, as well as the Growth Model and Growth & Income Model.

Although there are differences in market cap and yields across Matt's funds, they all have the S&P 500 as their primary benchmark, because they are all essentially large-cap blend funds. We can agree to disagree with Fidelity over the appropriateness of having, for example, Mega Cap benchmarked against the S&P. In fact, its secondary benchmark (the Russell Top 200) is a far better standard. Nonetheless, everyone knows the S&P, and so that's the *de facto* standard regardless of many funds' true investible universe.

With that proviso in mind, all of Matt's funds trailed the S&P last year.

Thematically speaking, performance slipped last year as Matt struggled at times to keep up with a number of swift market rotations. One of the biggest was the sudden drop in oil prices, which eventually came to hurt the funds' energy exposures. That said, stock selection was not especially robust in 2014; sector positioning actually proved to be more valuable. This was especially true on Large Cap Stock with his bets in consumer discretionary stocks and industrials, though neither sector was so large as to materially affect overall returns. On the other hand, a roughly 10% slug in foreign stocks was also a negative as they underperformed a soaring US equity market.

As we've noted in these pages before, we believe that Matt is a talented manager (which is why Fidelity keeps giving him assets to run), but he has much on his plate. (That was a modest consideration in last month's decision to reduce Mega Cap's exposure in the Growth Model.) Apart from that, we are increasingly attracted to mid-cap funds whose corporate earnings are less vulnerable to the stronger dollar and diminished export sales. ■

tors in-line with those of his midcap value benchmark, seeking to beat it through superior stock selection. Although within those areas he emphasizes certain subgroups. For example, within financials, he's overweighted in diversified concerns and insurance.



Court Dignan

In 2014, stock selection was strong, and Mid Cap Value was one of Fidelity's top equity funds. His outstanding performance was aided by the fact that value stocks generally outperformed growth. This may not be the case in 2015, but Court's process should lead to solid returns over the long-term with moderate risk.

**New Millennium**

Manager John Roth runs New Millennium with much the same strategy as his newer charge, **Mid-Cap**

**Stock:** He looks for firms where future earnings expectations are much higher than the market expects. In both funds he likes to spread his bets over nearly 200 holdings to help control risk. In many ways, Mid-Cap Stock is just a smaller-cap version of this fund. While New Millennium is large cap, it is still quite a bit smaller in cap size than its benchmark the S&P 500 (\$46 billion vs. \$68).

Performance headed south in the second half of 2014 as John increased his bet on falling energy stocks. The third quarter was particularly painful as stock selection hurt in 9 of 10 sectors. While the fund performed similarly to his other charge Mid-Cap Stock, relative performance was worse as the S&P 500 fared much better than the S&P Midcap 400, the latter's benchmark. John is a terrific manager who had an off year, and the wind may not yet be to his back. As such, our Growth Model trade (see p. 3) reflects our view that an increased allocation to mid-cap growth via Growth Strategies (see write-up on p. 11) should serve this particular portfolio better. ■



John Roth

— John Bonnanzio

**2015 GUIDE MAILING SOON**

The 2015 *Independent Guide to Fidelity Funds* is printing, and members who reserved their free copy should expect a mid-to-late February delivery. But while you're waiting for it to arrive, you can already read the web-based version here:

[www.fmandi.com](http://www.fmandi.com)

On the homepage, click the "Go to the Guide Now" button on the right-hand side, and you're there! ■

**QUESTIONS & ANSWERS**

**Jack Fields**  
**Your Questions**

**Q:** *I don't like the look of Fidelity's new website and I'm finding it takes more steps to place and confirm trades. Perhaps you have received other comments and can weigh in on this?*

T.L. – via email

**A:** We've heard from about a dozen readers who are somewhat disgruntled with this change. Appearance-wise, the initial version favored portable devices and didn't look very good on desktops, but Fidelity has tweaked it since then (if you click on the Positions tab it now looks more like the previous summary page). There's also the option to click on the black and white "Exit Preview" link on the upper right to return to the previous system of doing things.

**Q:** *Considering the weak performance of **Short-Term Bond** in 2014 (up 0.9%), do you plan on cutting its 17% allocation in the **Income Model**, perhaps in favor of **Corporate Bond** which is yielding 2.66% versus 0.94% for **Short-Term**?*

J. H. – via email

**A:** I know Short-Term's yield is not great, but we need something in the portfolio to keep volatility (risk) close to our target, and this bond fund is certainly better than cash (which still yields nothing!). In addition, I don't think this is a great time to take on more interest-rate risk, but I'm hoping there might be some sort of opportunity in the high-yield segment later this year. ■

**DIVIDEND UPDATE**

*In addition to monthly dividends paid by bond and money market funds and Asset Mgr: 20%/30%, the following funds are scheduled for a distribution in February:*

Contrafund, Global Bond, Global Strategies, Int'l Bond, Intermed Muni, Limited Term Muni, MI, MN, OH, and PA Muni Income, New Markets Inc, Sptn Inflation-Protected, Strategic Inc, Trend

*The final distributions for January were as follows:*

Fund	Ex-Date	\$ Amt	NAV
Convertible Secs	1/16	0.009	31.51
CT Muni Inc	1/9	0.021	11.84
Equity Div Inc	1/16	0.084	26.29
Growth Company	1/16	0.209	129.98
Independence	1/9	0.218	38.48
NJ Muni Inc	1/9	0.022	12.14
Strategic Div & Inc	1/16	0.209	14.60

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